

Senate Study Bill 3268

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CO=CHAIRPERSON ANGELO)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to local governments by creating a local
2 government innovation commission and fund, creating a center
3 for governing excellence, allowing a vote of the people on
4 dissolution of township governments in certain counties,
5 allowing city contributions for pension and related employee
6 benefits pursuant to contracted public safety services, and
7 including an effective date.
8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
9 TLSB 6672XK 81
10 sc/cf/24

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1 1 Section 1. Section 8.64, Code 2005, is amended by striking
1 2 the section and inserting in lieu thereof the following:
1 3 8.64 DEFINITIONS.
1 4 For purposes of sections 8.65 through 8.68:
1 5 1. "Commission" means the local government innovation
1 6 commission.
1 7 2. "Community-wide area" means a distinct geographical
1 8 area voluntarily formed by and comprised of counties, cities,
1 9 or townships, or any combination thereof, all of which possess
1 10 a degree of autonomy in a varying number of matters. School
1 11 districts may also participate in a community-wide area if
1 12 joined by a county, city, or township.
1 13 3. "Department" means the department of management.
1 14 Sec. 2. NEW SECTION. 8.65 LOCAL GOVERNMENT INNOVATION
1 15 COMMISSION.
1 16 1. A local government innovation commission is created
1 17 consisting of fourteen voting members and four nonvoting
1 18 members.
1 19 a. Voting members of the commission shall be appointed for
1 20 a term of three years as follows:
1 21 (1) One member representing the executive branch appointed
1 22 by the governor.
1 23 (2) One member representing county government appointed by
1 24 the president of the Iowa state association of counties.
1 25 (3) One member representing city government appointed by
1 26 the president of the Iowa league of cities.
1 27 (4) One member representing community colleges appointed
1 28 by the president of the Iowa association of community college
1 29 presidents.
1 30 (5) One member representing school districts appointed by
1 31 the president of the Iowa association of school boards.
1 32 (6) One member representing the councils of governments
1 33 appointed by the president of the Iowa association of councils
1 34 of government.
1 35 (7) The administrator of the homeland security and
2 1 emergency management division of the Iowa department of public
2 2 defense.
2 3 (8) The director of the department of economic development
2 4 or the director's designee.
2 5 (9) Two members representing the general public appointed
2 6 by the governor.
2 7 (10) Four members representing the general public, one
2 8 each appointed by the majority leader of the senate, the
2 9 minority leader of the senate, the speaker of the house of
2 10 representatives, and the minority leader of the house of

2 11 representatives.

2 12 b. Four nonvoting members of the general assembly shall be
2 13 appointed for a term of two years commencing at the convening
2 14 of each general assembly, one each appointed by the majority
2 15 leader of the senate, the minority leader of the senate, the
2 16 speaker of the house of representatives, and the minority
2 17 leader of the house of representatives. However, initial
2 18 appointments of members under this paragraph shall be made on
2 19 the effective date of this Act.

2 20 2. a. Terms of voting members shall begin and end as
2 21 provided by section 69.19. Any vacancy shall be filled in the
2 22 same manner as regular appointments are made for the unexpired
2 23 portion of the regular term.

2 24 b. Members of the commission shall be allowed their actual
2 25 and necessary expenses incurred in the performance of their
2 26 duties. The members of the commission representing the
2 27 general public shall also be compensated as provided in
2 28 section 7E.6. Per diem and expenses paid to commission
2 29 members shall be paid from moneys appropriated to the local
2 30 government innovation fund, except that the per diem and
2 31 expenses of members of the general assembly shall be paid
2 32 pursuant to section 2.12.

2 33 c. The commission shall meet in May of each year for the
2 34 purpose of electing one of its voting members as chairperson.
2 35 The commission shall meet at the call of the chairperson or
3 1 when a majority of the voting members of the commission files
3 2 a written request with the chairperson for a meeting. Written
3 3 notice of the time and place of each meeting shall be given to
3 4 each member of the commission.

3 5 d. A majority of the voting members of the commission
3 6 constitutes a quorum. Any action taken by the commission must
3 7 be adopted by the affirmative vote of a majority of its voting
3 8 membership.

3 9 e. The commission is located for administrative purposes
3 10 within the department. The department shall provide office
3 11 space, staff assistance, administrative support, and necessary
3 12 supplies and equipment to the commission.

3 13 Sec. 3. NEW SECTION. 8.66 DUTIES OF COMMISSION.

3 14 The commission shall do all of the following:

3 15 1. Promote, encourage, and advance innovation and
3 16 creativity in local governance.

3 17 2. Develop an application and review process for local
3 18 governance plans submitted to the commission by a community=
3 19 wide area. Results, strategies, and desired outcomes
3 20 identified by the commission in developing its application and
3 21 review process shall include but not be limited to the
3 22 following:

3 23 a. Cost savings to citizens, in particular lowering of
3 24 local government property taxes.

3 25 b. Creation of, or inducement to create, high-wage, stable
3 26 employment opportunities for a local government's citizens and
3 27 more effective leveraging of resources to improve competitive
3 28 advantage.

3 29 c. Elimination of duplication of government
3 30 administration.

3 31 d. More efficient and effective delivery of services by
3 32 government, including eliminating duplication of service
3 33 delivery by more than one unit of government in the same area
3 34 and modernizing services and service delivery to meet the
3 35 changing public service needs of the area.

4 1 e. Creation of a state=local partnership in one or more
4 2 areas of service delivery and governance that would increase
4 3 quality and efficiency on the local level.

4 4 3. Design an application form to be completed by a
4 5 community=wide area seeking review of a local governance and
4 6 revenue model. The application form shall employ a return on
4 7 investment concept that requires the community=wide area to
4 8 demonstrate how the local governance and revenue model will
4 9 result in reduced local government or state general fund
4 10 expenditures or how local government fund revenues will
4 11 increase without an increase in state costs, how local
4 12 government services will be provided more efficiently or will
4 13 be of increased quality resulting in greater value from the
4 14 expenditure of local government revenues, and how the model
4 15 develops partnerships with the state to provide increased
4 16 quality and efficiency on the local level.

4 17 4. Utilize the department of management, the department of
4 18 revenue, or other sources of technical expertise designated by
4 19 the commission to certify savings projected for a proposed
4 20 local governance and revenue model.

4 21 5. On or before January 1, 2008, submit to the general

4 22 assembly and to the office of the governor recommendations for
4 23 legislation that would provide flexibility and freedom to
4 24 local governments in implementing governance and revenue
4 25 models.

4 26 6. a. Prepare a request for proposals for establishment
4 27 of an Iowa center for governing excellence as provided in
4 28 section 8.68, and prepare procedures and a timetable for
4 29 submission and review of proposals and for selection of a
4 30 proposal. The proposal process shall be open to public and
4 31 private not-for-profit institutions of higher education
4 32 located in this state and accredited by the north central
4 33 association of colleges and secondary schools.

4 34 b. The request for proposals shall require each proposal
4 35 to provide for employment of a full-time director and
5 1 administrative assistant at the center.

5 2 Sec. 4. NEW SECTION. 8.67 LOCAL GOVERNMENT INNOVATION
5 3 FUND.

5 4 1. A local government innovation fund is created in the
5 5 state treasury under the control of the department of
5 6 management for the purpose of stimulating and encouraging
5 7 innovation in local government by providing moneys for the
5 8 purpose of providing grants to assist in the implementation of
5 9 local governance and revenue models.

5 10 2. Officials of a community-wide area who have submitted a
5 11 local governance and revenue model to the commission for
5 12 review may apply to the commission for a grant from the local
5 13 government innovation fund to implement all or a portion of
5 14 such governance and revenue model. Officials seeking a grant
5 15 from the fund shall complete an application form designed by
5 16 the commission which employs a return on investment concept.
5 17 Minimum requirements for local government grant requests shall
5 18 be determined by the commission and adopted by rule by the
5 19 department of management.

5 20 3. Notwithstanding section 12C.7, subsection 2, interest
5 21 or earnings on moneys deposited in the local government
5 22 innovation fund shall be credited to the local government
5 23 innovation fund. Notwithstanding section 8.33, moneys
5 24 appropriated to and moneys remaining in the local government
5 25 innovation fund at the end of a fiscal year shall not revert
5 26 to the general fund of the state.

5 27 Sec. 5. NEW SECTION. 8.68 IOWA CENTER FOR GOVERNING
5 28 EXCELLENCE.

5 29 1. The commission shall establish an Iowa center for
5 30 governing excellence. The purpose of the Iowa center for
5 31 governing excellence is to do all of the following:

5 32 a. Enhance the accountability, effectiveness, and
5 33 efficiency of Iowa's local governments and state agencies by
5 34 providing objective and nonpartisan research and training
5 35 support for policymakers and government officials.

6 1 b. Integrate the research capacities of the community
6 2 colleges and public and private universities located in this
6 3 state and of organizations representing local governments to
6 4 support management and policy research.

6 5 c. Facilitate dialogues among Iowa's state agencies and
6 6 local governments, public and private universities,
6 7 organizations representing local governments, and citizens on
6 8 government policy design, implementation, and evaluation.

6 9 2. After its creation, the center may solicit, accept, and
6 10 administer moneys contributed to the center by any source, and
6 11 may enter into contracts with public or private agencies or
6 12 agreements subject to chapter 28E with public and private
6 13 agencies in order to carry out its purposes. All records of
6 14 the center including but not limited to records of donations
6 15 to the center and agreements entered into by the center shall
6 16 be public records for purposes of chapter 22.

6 17 3. The center shall submit an annual report of the
6 18 activities of the center to the governor and to the general
6 19 assembly as provided in section 7A.11A by January 15 of each
6 20 year.

6 21 4. a. A governing board is created to oversee and direct
6 22 the activities of the Iowa center for governing excellence.

6 23 b. The governing board shall be composed of the following
6 24 members:

6 25 (1) A representative of state government appointed by the
6 26 governor.

6 27 (2) A representative of the Iowa league of cities
6 28 appointed by the president of the league.

6 29 (3) A representative of the Iowa state association of
6 30 counties appointed by the president of the association.

6 31 c. The governing board shall oversee the operations of the
6 32 Iowa center for governing excellence and shall make decisions

6 33 regarding research and training activities conducted by the
6 34 center.

6 35 Sec. 6. NEW SECTION. 331.386 DISSOLUTION OF TOWNSHIP
7 1 GOVERNMENT IN CERTAIN COUNTIES == ELECTION.

7 2 1. Notwithstanding section 331.385, the county board of
7 3 supervisors of a county with a population of less than five
7 4 thousand, according to the most recent federal decennial
7 5 census, may by resolution, or shall if petitioned for by
7 6 eligible electors of the county, direct the county
7 7 commissioner of elections to place on the ballot for the next
7 8 general election the question of whether the township
7 9 governments in the county shall be dissolved. If the
7 10 proposition is approved by a majority of the votes cast on the
7 11 proposition at the election, the county shall assume the
7 12 exercise of the powers and duties of township trustees,
7 13 subject to the provisions of this section, and the county
7 14 auditor shall assume the powers and duties of township clerk.
7 15 Dissolution of the township governments takes effect for the
7 16 fiscal year beginning July 1 following the general election at
7 17 which the proposition was approved.

7 18 2. Upon dissolution of the township governments, all
7 19 assets and liabilities of the township governments shall
7 20 transfer to the county. The liabilities of each township
7 21 shall be paid by the county from the separate township fund
7 22 established for that township under subsection 3.

7 23 If at the time dissolution of the township governments
7 24 takes effect, a township in the county has in force an
7 25 agreement to receive or provide fire protection service or
7 26 emergency medical services, the agreement shall continue for
7 27 the duration stated in the agreement. Moneys received by the
7 28 township for providing fire protection service or emergency
7 29 medical services shall be deposited in that township's
7 30 separate fund established under subsection 3.

7 31 3. The board of supervisors in a county which has approved
7 32 at election the proposition of dissolving the township
7 33 governments in the county shall establish a separate township
7 34 fund for each township and shall levy property taxes in the
7 35 same manner and same amounts as township trustees pursuant to
8 1 chapters 37, 359, 359A, and 360. The budget for each township
8 2 shall be prepared as provided for in section 359.49, except
8 3 that a public hearing on the proposed township budgets shall
8 4 be at the same time as the public hearing on the proposed
8 5 county budget in lieu of the meeting required in section
8 6 359.49. In addition to the posting requirement in section
8 7 359.49, a summary of the budget for each township shall be
8 8 published with the summary of the proposed county budget.

8 9 4. Township governments dissolved pursuant to this section
8 10 may be reestablished by petition and election in the same
8 11 manner as provided in subsection 1 for dissolution of the
8 12 township governments.

8 13 5. This section does not prohibit a county described in
8 14 subsection 1 from assuming the powers and duties of township
8 15 trustees in accordance with the provisions of section 331.385,
8 16 subsections 1 through 4, if the proposition to dissolve
8 17 township governments pursuant to this section is not approved
8 18 at election.

8 19 Sec. 7. Section 384.6, subsection 1, Code 2005, is amended
8 20 to read as follows:

8 21 1. Accounting for pension and related employee benefit
8 22 funds as provided by the city finance committee. A city may
8 23 certify taxes to be levied for a trust and agency fund in the
8 24 amount necessary to meet its obligations.

8 25 a. A city may make contributions to a retirement system
8 26 other than the Iowa public employees' retirement system for
8 27 its city manager, or city administrator performing the duties
8 28 of city manager, in an annual amount not to exceed the amount
8 29 that would have been contributed by the employer under section
8 30 97B.11.

8 31 b. If a police chief or fire chief has submitted a written
8 32 request to the board of trustees to be exempt from chapter
8 33 411, authorized in section 411.3, subsection 1, a city shall
8 34 make contributions for the chief, in an amount not to exceed
8 35 the amount that would have been contributed by the city under
9 1 section 411.8, subsection 1, paragraph "a", to the
9 2 international city management association/retirement
9 3 corporation. ~~A city may certify taxes to be levied for a~~
9 4 ~~trust and agency fund in the amount necessary to meet its~~
9 5 ~~obligations.~~

9 6 c. A city which has contracted with another city or
9 7 governmental entity for the provision of public safety
9 8 services, including but not limited to police protection, fire

9 9 protection, ambulance, or hazardous materials response, may,
9 10 pursuant to contract, make contributions for pension and
9 11 related employee benefits for personnel of the other city or
9 12 governmental entity providing such services to the city. The
9 13 city may make such contributions in an annual amount not to
9 14 exceed the amount of contributions for pension and related
9 15 employee benefits that would otherwise be paid by the other
9 16 city or governmental entity for such personnel.

9 17 Sec. 8. EFFECTIVE DATE. This Act, being deemed of
9 18 immediate importance, takes effect upon enactment.

9 19 EXPLANATION

9 20 This bill makes changes relating to local governments by
9 21 creating a local government innovation commission and fund,
9 22 creating a center for governing excellence, allowing a vote of
9 23 the people on dissolution of township governments in certain
9 24 counties, and allowing city contributions for pension and
9 25 related employee benefits pursuant to contracted public safety
9 26 services.

9 27 The bill creates the local government innovation commission
9 28 which is located in the department of management for
9 29 administrative purposes. Members of the commission represent
9 30 the executive branch, county and city governments, school
9 31 districts, community colleges, councils of governments, the
9 32 homeland security and emergency management division of the
9 33 Iowa department of public defense, the department of economic
9 34 development, and the general public. Four members of the
9 35 general assembly are appointed as nonvoting members of the
10 1 commission. The commission is to develop a request for
10 2 results application and review process to review local
10 3 governance and revenue models submitted by community-wide
10 4 areas. The bill requires the commission to report to the
10 5 general assembly and to the governor's office on or before
10 6 January 1, 2008, with recommendations for legislative changes
10 7 that would provide flexibility and freedom to community-wide
10 8 areas in implementing governance and revenue models. The bill
10 9 defines "community-wide area".

10 10 The bill directs the commission to prepare a request for
10 11 proposals for establishment of an Iowa center for governing
10 12 excellence. The bill provides that the purpose of the center
10 13 for governing excellence is to provide objective and
10 14 nonpartisan research and training for policymakers and
10 15 government officials; to integrate the research capacities of
10 16 community colleges and public and private universities and of
10 17 local government organizations; and to facilitate dialogues
10 18 among Iowa's state agencies, local governments, universities,
10 19 and citizens on government policy design, implementation, and
10 20 evaluation. The bill provides that the activities of the Iowa
10 21 center for governing excellence shall be directed and
10 22 supervised by a governing board comprised of a representative
10 23 of state government and of representatives of the Iowa league
10 24 of cities and the Iowa state association of counties.

10 25 The bill also creates a local government innovation fund
10 26 for the purpose of providing grants to community-wide areas to
10 27 assist in the implementation of local governance and revenue
10 28 models that have been reviewed by the commission.

10 29 The bill provides that a county with a population of less
10 30 than 5,000 may vote on the question of whether the township
10 31 governments in the county should be dissolved. The question
10 32 shall be placed on the general election ballot by resolution
10 33 of the board of supervisors or by petition of eligible
10 34 electors. If the proposition receives a favorable majority,
10 35 the county board of supervisors is to assume the powers and
11 1 duties of township trustees and the county auditor is to
11 2 assume the powers and duties of township clerk.

11 3 The bill provides that the county shall establish a
11 4 separate township fund for each township. The budgets of the
11 5 townships shall be prepared as provided by current law for
11 6 townships except that the bill requires that a public hearing
11 7 on the proposed township budgets be held at the same time as
11 8 the public hearing on the proposed county budget. The bill
11 9 also requires that a summary of each proposed township budget
11 10 be published with the proposed county budget in addition to
11 11 the posting requirement in current law for proposed township
11 12 budgets.

11 13 The bill also provides that a township government that is
11 14 dissolved under this procedure may be reestablished by
11 15 petition and election.

11 16 The bill allows a city to contribute to pension and related
11 17 employee benefits for personnel of another city or
11 18 governmental entity pursuant to a contract in which the city
11 19 receives public safety services, including but not limited to

11 20 police protection, fire protection, ambulance, or hazardous
11 21 materials response, from the other city or governmental
11 22 entity. The city may make such contributions in an annual
11 23 amount not to exceed the amount of contributions for pension
11 24 and related employee benefits that would otherwise be paid by
11 25 the other city or governmental entity for such personnel.
11 26 The bill takes effect upon enactment.
11 27 LSB 6672XK 81
11 28 sc:nh/cf/24